

AIRPORT LOAN AGREEMENT

WHEREAS, KRS 183.200 to 183.213 authorizes the Kentucky Transportation Cabinet to make loans to airport boards for the development of airports in this state;

WHEREAS, _____ Airport Board has made application to the Kentucky Transportation Cabinet, Department of Aviation pursuant to KRS 183.200 to 183.213 and the regulations promulgated thereunder and said application has been approved:

NOW THEREFORE, this agreement is entered into by and between _____
_____. Airport Board, a corporate body duly organized and created pursuant to KRS 183.132 et seq. hereinafter referred to as the BOARD, the city of _____
city
and county of _____, the appointing authorities for the BOARD under KRS 183.132 et seq.
county
and the Commonwealth of Kentucky, Transportation Cabinet acting by and through its Secretary, hereinafter referred to as the CABINET. In consideration of the mutual promise of the parties hereto, it is agreed by and between the CABINET, the city of _____ and county of _____,
city county
and the BOARD,

WITNESSETH:

1. The CABINET agrees to and does hereby lend to the BOARD the sum of _____
_____ Dollars under the terms and conditions hereinafter set forth.

2. The BOARD promises to pay the CABINET at its offices stated below, within _____ years from the date hereof without defalcation, for value received _____ Dollars with interest at a rate of _____ percent (_____%) per annum in _____ equal installments of principal of \$ _____ and accrued interest, the first installment to be paid on the _____ day of _____, 20____ and one such installment to be paid annually thereafter on the same day and month.

3. The BOARD may repay any and all sums due upon the unpaid balance of said loan without penalty, provided however, that interest shall be computed to the date said advance payments are made.

4. All payments on principal and interest shall be made to the Kentucky Transportation Cabinet, Department of Aviation, 200 Mero Street, Frankfort, Kentucky or as otherwise directed by the Secretary of the CABINET to the BOARD.

5. If any installment of this note is not paid when due, then the entire unpaid principal and interest hereof shall at once become due and payable at the option of the CABINET. If the CABINET chooses not to exercise its option, then the CABINET may elect to assess the BOARD, as liquidated damages, an amount equal to one full month's interest for each month or part of a month the installment is not received. Said interest shall be computed at _____ percent (____%) of the remaining principal obligation under the loan agreement.

6. The purpose for which this loan is made shall be exclusively for use by the BOARD for_____

7. All construction and excavation as heretofore mentioned shall be in accord with applicable rules, regulations, or standards of the Kentucky Transportation Cabinet, Department of Aviation, and all plans including specifications and drawings shall be submitted to and approved by the CABINET to the extent that any funds herein loaned are to be used for said construction.

8. The BOARD agrees to keep all land and grounds owned and operated by it and used for the airport facilities specified in this agreement in a clean and neat condition with all grass and weeds cut at reasonable times necessary to present an attractive appearance. The BOARD further agrees that all hangars, public repair facilities, and other buildings shall be kept in good repair and attractive to the general public.

9. As security for the payment of the loan made hereunder, now existing or hereafter incurred, matured or unmatured, direct or contingent, including any extensions and renewal thereof, the BOARD hereby assigns to, grants to, and agrees that CABINET shall have a security interest in all monies and claims for monies due and to become due to BOARD under any contract, lease or agreements between the BOARD and third parties for use of the BOARD's airport facilities in providing services or goods to pilots, aircraft owners, and operators or other members of the general public, the monies and claims for monies to become due heretofore or are contemporaneous herewith, or are hereafter assigned by the BOARD to the CABINET, together with all proceeds of the rights so assigned including all accounts receivable arising from the BOARD's performance of said contracts, leases and agreements and all proceeds of said accounts receivable.

10. CABINET shall have the right to notify the other party or parties obligated on said contracts to make all payments thereunder directly to the CABINET, and may take control of all proceeds arising from said contracts and accounts receivable, which rights CABINET may exercise at any time whether or not the BOARD is then in default or was theretofore making collections thereon. The CABINET's costs of collection and enforcement, including attorney's fees and out-of-pocket expenses, shall be borne solely by the BOARD. All payments received by CABINET pursuant to said assignments shall be applied when the funds are available against the principal and/or interest of any loans made hereunder.

11. Other arrangements of BOARD:

(a) BOARD will at all times keep accurate and complete records of BOARD's performance under said contracts, and CABINET, or any of its agents, shall have the right to call at BOARD's place or places of business at intervals to be determined by CABINET, and without hindrance or delay, to inspect, audit, check and make extracts from the books, records, journals, orders, receipts, correspondence and other data relating to said contracts or to any other transactions between the parties hereto.

(b) If BOARD fails to pay when due any amount payable on any of the loans made hereunder or on any other indebtedness of BOARD secured hereby, or fails to observe or perform any of the provisions of this agreement, BOARD shall be in default. When BOARD is so in default, all such loans and other indebtedness secured hereby shall become immediately due and payable at CABINET's option without notice to BOARD, and CABINET may proceed to enforce payment of the same and to exercise any or all of the rights and remedies afforded to CABINET by the Uniform Commercial Code or otherwise possessed by CABINET.

12. The BOARD agrees during the life of this agreement to keep the premises, including all buildings or other facilities constructed thereon insured against fire, windstorm, theft, vandalism, or such other comprehensive insurance as may be approved by the CABINET.

13. It is understood and agreed by the parties that if any part, term, or provision of this contract is held by the courts to be illegal or in conflict with any law of the state where made, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the particular part, term, or provision held to be invalid.

14. For value received and for the purpose of affording credit to_____,
the city of_____and county of_____do hereby and jointly severally absolutely
and unconditionally, guarantee the payment at maturity of all obligations under this loan agreement. This
guaranty is a continuing guaranty and the city of _____ and county of_____,
waive notice of default and demand. All security interests created by this agreement shall remain in full
force and effect notwithstanding the execution of this guaranty by the city of_____
and the county of_____.

IN WITNESS WHEREOF, the CABINET acting by and through its Secretary, the city of
_____and county of_____, and the BOARD, acting by and through its
Chairman and Secretary, duly authorized by resolution accompanying this agreement have hereunto affixed
their signatures this _____ day of _____, 20_____.

APPROVED AS TO FORM AND LEGALITY:

Office of General Counsel -

APPROVED:

Airport Board -

APPROVED:

Secretary, Kentucky Transportation Cabinet -

APPROVED:

City of -

APPROVED:

County of -